

O&M Reclasses and Allocations

The following reclasses and allocations are required in order to report the Operation and Maintenance expense budget in the appropriate prime account.

Reclasses:

Reclass 1a – Storage Field Compressors

Storage field compressor expenses are budgeted in budget buckets for each storage field. The budget buckets are in prime 818 - Storage Operations. The actual expenses that these budgets relate to are recorded in primes 818 - Storage Operations, and 834 - Storage Maintenance.

In addition, some of these expenses that are recorded in prime 818 are for fuel and power used by storage field compressors. Expense related to storage field compressor fuel and power should be reclassified from prime 818 to prime 819, Compressor Fuel & Power.

Reclass 1a will do two things. First, dollars related to fuel & power will be reclassified from prime 818 to prime 819. Second, a portion of the remaining maintenance expenses will be reclassified from prime 818 to prime 834. The allocation between prime 818 and 819 will be based on historical averages.

Reclass 1b – Storage Gas Conditioning Expense

Storage field gas conditioning expenses are budgeted in budget buckets for each storage field. The budget buckets are in prime 821 - Storage Operations. The actual expenses that these budgets relate to are recorded in primes 821 - Storage Operations, and 836 - Storage Maintenance.

Reclass 1b will reclass the maintenance portion of the expense budget from prime 821 to prime 836. The allocation between prime 821 and 836 will be based on historical averages.

Reclass 2 – Segregate Measurement Administrative Budget

Budget bucket 92071 contains the budget for both operation administrative expense and maintenance administrative expense for the Measurement department. This budget bucket is recorded in prime 932. Actual measurement operation administrative expense is recorded in prime 875, while actual measurement maintenance administrative expense is recorded in prime 893.

Reclass 2 will segregate the measurement administrative expense budget into operation and maintenance expense, based on historical averages. These amounts will then be reclassified from prime 932 to primes 875 and 893.

Reclass 3 – Segregate Underground Storage Tank Budget

Budget bucket 29412 is used to budget for three types of expenses, Distribution Underground Storage Tanks, Transmission Underground Storage Tanks, and Storage Underground Storage Tanks. This budget bucket is recorded in prime 885. Actual expenses related to these areas are recorded in primes 885, 861, and 830, respectively.

Reclass 3 will segregate the total amount budgeted for underground storage tank expense into expense related to the Distribution, Transmission, and Storage areas. The allocated budget

amount related to Transmission and Storage will be reclassified from prime 885 to primes 861 and 830, respectively. The allocation will be based on historical averages.

Reclass 4 – Reclass Company Use Gas Budget

The budget for company use gas is recorded in prime 819. Actual company use gas expense is segregated into various prime accounts. Expense for gas used at storage fields is recorded in prime 819. Expense related to franchise gas free terms is recorded in prime 930.20. Expense related to gas used at other company facilities, storage credits, and taxes is recorded in prime 932.

In addition, expense related to franchise gas free terms must be recorded in prime 927 Franchise Requirements, with an offsetting amount recorded in prime 929 Duplicate Charges-Credit.

Reclass 4 will transfer budget amounts related to franchise gas terms, gas used at company facilities, storage credits, and taxes from prime 819 to the appropriate prime account.

The reclass is based on a budget breakdown prepared by the company use gas analyst.

Reclass 5 – Reclass Gathering Lines Expense

Gathering Lines Expense – Gas:

The budget for total gas gathering lines expense is recorded in prime 833-Maintenance of Lines. This expense should be segregated into operation and maintenance expense. Operation gas gathering line expense should be recorded in prime 817-Lines Expense (operations).

Reclass 5 will segregate the total gathering lines expense budget into operation and maintenance expense based on studies performed by the storage department.

Gathering Lines Expense - Saline:

For most storage fields, the budget for these expenses is accumulated in Prime-833 Maintenance of Lines. For Ancona and Pecatonica, the budget for these expenses is accumulated in Prime 821-Purification Expenses. Expenses are segregated by storage field.

The operation portion of these expenses should be recorded in Prime 821 and the maintenance portion should be recorded in Prime 836.

Reclass 5 will segregate the total gathering lines expense budget into operation and maintenance expense, by storage field. The budget originally recorded in Prime 833 must be reclassified and split between Primes 821 (operation) and 836 (maintenance). For Ancona and Pecatonica, the budget originally recorded in Prime 821 must have a portion reclassified to Prime 836.

Reclass 6 – Reclass Storage Training Costs

The budget for storage and transmission training expenses are accumulated together in Prime 850–Operations Supervision and Engineering of Transmission Facilities. However, storage training costs should be recorded in Prime 814-Supervision and Engineering of Storage Operations.

Reclass 6 will segregate the training budget into storage training and transmission training. The budget for storage training expense will be reclassified from prime 850 to 814.

Reclass 7 – Reclass Prime 92021

The budget for expenses of administrative and general departments is recorded in an allocation prime, 92021. These dollars must be segregated and reclassified to Prime 920-Administrative and General Salaries, Prime 921-Office Supplies and Expenses, Prime 922-Administrative Expenses Transferred – Credit, and Prime 923 – Outside Services Employed.

In addition, the budget related to activity 26001 – Corrosion Admin must be allocated to Prime 830-Storage Maintenance Supervision & Engineering, Prime 861-Transmission Maintenance Supervision & Engineering, and Prime 885-Distribution Maintenance Supervision & Engineering.

The corrosion administrative expense budget will be reclassified to primes 830, 861, and 885 based on a ratio of corrosion storage, transmission, or distribution expense to total corrosion expense.

The remaining budget in the allocation prime 92021 should be reclassified to primes 920, 921, 922, and 923. This is done by reviewing the general ledger account that the budget is applied to. Budgeted payroll amounts will be reclassified to prime 920, budgeted billed to affiliate credits will be reclassified to prime 922. Budgeted legal or consultant expense will be reclassified to prime 923. All other remaining budget expense will be reclassified to prime 921.

Reclass 8 – Misc Reclasses from Prime 922

- A. Reclass Consolidated Pool activity 96526 from Prime 922 to Prime 921-Office Supplies and Expenses. The Consolidated Pool is not an administrative expense credit, and therefore does not belong in prime 922.
- B. Reclass various benefit plans from Prime 922 to Prime 920, where other benefit plans are accumulated.

Allocations:

Some costs relate to more than one prime in a functional classification. (For example, storage administrative and overhead expenses may relate to several different storage prime accounts.) These costs are accumulated in various "allocation primes" and must then be allocated among the respective operation and maintenance prime accounts. In most cases, the allocation is based on payroll for each prime account.

Allocation 1 – Prime Account 814.01 – Storage Overhead, Transportation, and Communication

Prime 814.01 contains Supervision and Fleet expenses for the Storage area, by storage field. These costs must be allocated to all of the Storage Operations and Maintenance prime accounts. (Prime accounts 815.00 – 837.00, excluding prime 830.00 – Maintenance Supervision and Engineering.) This allocation will be based on payroll dollars.

Allocation 2 – Prime Account 850.01 – Transmission Overhead, Transportation, and Communications

Prime 850.01 contains the Supervision and Fleet expenses for the Transmission area. These costs must be allocated to the Transmission Operation and Maintenance prime accounts. (Primes 851.00 – 867.00, excluding 861.00 - Maintenance Supervision and Engineering) The allocation will be based on payroll dollars.

Allocation 3 – Prime 870.01 – Distribution Overhead, Transportation, and Communication

Prime 870.01 contains Supervision, Fleet, Small Tools, and Other expenses of the Distribution area. These expenses must be allocated to the Distribution Operation and Maintenance prime accounts. (Primes 871.00 – 893.00, excluding 885.00 – Maintenance Supervision and Engineering, 878.00 – Meter and House Regulator Expenses, and 879.00 – Customer Installations Expenses) *Primes 878.00 and 879.00 are not included in this allocation because they contain operating expenses related to maintaining and installing meters and regulators, and are mainly expenses of the Operations Departments, not Distribution Departments. The expenses in prime 870.01 relate primarily to the Distribution Departments.* The allocation will be based on payroll dollars.

Allocation 4 – Prime 870.02 – Net Fleet

Prime 870.02 contains Net Fleet expenses. Fleet primarily benefits the Distribution area, as well as Meter Reading (prime 902.00). Therefore, these Fleet expenses will be allocated to the Distribution operation and maintenance prime accounts (primes 871.00 – 893.00, excluding 885.00 – Maintenance Supervision and Engineering, 878.00 – Meter and House Regulator Expenses, and 879.00 – Customer Installations Expenses), and prime 902.00 – Meter Reading Expenses. *Primes 878.00 and 879.00 are not included in this allocation because they contain operating expenses related to maintaining and installing meters and regulators, and are mainly expenses of the Operations Departments, not Distribution Departments. The expenses in prime 870.01 relate primarily to the Distribution Departments.* The allocation will be based on payroll dollars.

Allocation 5 – Prime 870.03 – Stores Handling Expense

Prime 870.03 contains expenses related to inventory stores handling. Stores handling expenses will be allocated to the prime accounts which were charged for stores materials used. The allocation will be based on history.

Allocation 6 – Prime 878.01 – Operations Overhead, Transportation, and Communication

Prime 878.01 contains Operations Communication, Supervision, and General expenses. These expenses must be allocated to prime 878.00-Meter and House Regulators, prime 879.00 – Customer Installations, and prime 903.00-Customer Collections. The allocation will be based on payroll dollars.

Allocation 7 – Prime 878.03 – Operations Materials

Prime 878.03 contains material expenses. These expenses must be allocated to prime 878.00-Meter and House Regulators and prime 879.00-Customer Installations. The allocation will be based on payroll dollars.

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2002 O&M Budaet
Reclass I a - Segreaate Storage Budaet Buckets - Compressors

- Storage field compressor expenses are budgeted in budget buckets for each storage field. The budget buckets are in prime 818 - Storage Operations.
- The actual activities that these budgets relate to are belong in primes 818 - Storage Operations, and 834 -Storage Maintenance.
- Dollars recorded in prime 818, account 672400 G M Utilities, should be reclassified to prime 819, Compressor Fuel & Power.
- The reclass will do two things. First, dollars related to fuel & power will be reclassified from prime 818 to prime 819. Second a portion of the remaining maintenance expenses will be reclassified from prime 818 to prime 834.

	Expenditure Type Amounts 2002 December YTD Budget	Organization Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	
	75050 Budget Stor Comp - Troy Grove	76050 Budget Stor Comp - Ancona	77050 Budget Stor Comp - Pont Mt. S	78050 Budget Stor Comp - Hudson	79050 Budget Stor Comp - Pont Gales	80050 Budget Stor Comp - Lake Bloom	82050 Budget Stor Comp - Lexington	84050 Budget Stor Comp - Pecatonica	Total	
Payroll:										
40010 Direct Labor Regular	231,500.00	145,200.00	27,500.00	43,000.00	15,500.00	16,500.00	14,500.00	6,700.00	500,400.00	
Other:										
42010 Contractor Work	11,200.00	25,000.00	6,000.00	6,500.00	12,000.00	6,000.00	3,000.00	1,500.00	71,200.00	
48010 Direct Material	65,893.00	134,000.00	17,500.00	44,000.00	29,500.00	25,000.00	29,000.00	3,550.00	348,443.00	
	77,093.00	159,000.00	23,500.00	50,500.00	41,500.00	31,000.00	32,000.00	5,050.00	419,643.00	
Reclass to prime 819:										
67240 G&A Utilities	9,850.00	0	4,800.00	4,800.00	4,800.00	72,000.00	72,000.00	0	168,250.00	
Category	318,443.00	304,200.00	55,800.00	98,300.00	61,800.00	119,500.00	118,500.00	11,750.00	1,088,293.00	
Allocation Percentages:										
Maintenance - prime 834	37.9%	64.1%	81.3%	76.3%	72.6%	68.1%	77.5%	43.9%		
Operation - prime 818	62.1%	35.9%	18.7%	23.7%	27.4%	31.9%	22.5%	56.1%		
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Allocated Amounts:										
Payroll:										
Maintenance - prime 834	87,738.50	93,073.20	22,357.50	32,809.00	11,253.00	11,236.50	11,237.50	2,941.30	272,646.50	
Operation - prime 818	143,761.50	52,126.80	5,142.50	10,191.00	4,247.00	5,263.50	3,262.50	3,758.70	227,753.50	
Total	231,500.00	145,200.00	27,500.00	43,000.00	15,500.00	16,500.00	14,500.00	6,700.00	500,400.00	
Other:										
Maintenance - prime 834	29,218.25	101,919.00	19,105.50	38,531.50	30,129.00	21,111.00	24,800.00	2,216.95	267,031.20	
Operation - prime 818	47,874.75	57,081.00	4,394.50	11,968.50	11,371.00	9,889.00	7,200.00	2,833.05	152,611.80	
Total	77,093.00	159,000.00	23,500.00	50,500.00	41,500.00	31,000.00	32,000.00	5,050.00	419,643.00	

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2002 O&M Budget
Reclass 1b - Segregate Storage Budget Buckets - Gas Conditioning

- Storage field gas conditioning expenses are budgeted in budget buckets for each storage field. The budget buckets are in prime 821 - Storage Operations
- The actual activities that these budgets relate to are in primes 821 -Storage Operations, and 836 - Storage Maintenance.
- The reclass will reclass the maintenance portion from prime 821 to prime 836.

	Expenditure Type Amounts 2002 December YTD Budget	Organization Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	Expenditure Type Amounts 2002 December YTD Budget	
	75250 Gas Cond Budget - Troy Grove	76250 Gas Cond Budget - Ancona	77250 Gas Cond Budget - Pont Mt S	78250 Gas Cond Budget - Hudson	79250 Gas Cond Budget - Pont Gales	80250 Gas Cond Budget - Lake Bloom	82250 Gas Cond Budget - Lexington	84250 Gas Cond Budget - Pecatonica	Total
Payroll:									
40010 Direct Labor Regular	20,500.00	63,625.00	8,075.00	15,425.00	9,925.00	17,325.00	14,925.00	6,550.00	156,350.00
Other:									
42010 Contractor Work	4,000.00	17,250.00	900.00	900.00	2,200.00	1,900.00	900.00	0	28,050.00
48010 Direct Material	4,200.00	26,800.00	6,400.00	15,200.00	8,600.00	5,000.00	6,200.00	1,300.00	73,700.00
	8,200.00	44,050.00	7,300.00	16,100.00	10,800.00	6,900.00	7,100.00	1,300.00	101,750.00
Category	28,700.00	107,675.00	15,375.00	31,525.00	20,725.00	24,225.00	22,025.00	7,850.00	258,100.00

Allocation Percentages:									
Maintenance - prime 836	100.0%	50.3%	34.6%	35.9%	40.7%	36.3%	40.6%	100.0%	
Operation - prime 821	0.0%	49.7%	65.4%	64.1%	59.3%	63.7%	59.4%	0.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Allocated Amounts:									
Payroll:									
Maintenance - prime 836	20,500.00	32,003.38	2,793.95	5,537.58	4,039.47	6,288.97	6,059.55	6,550.00	83,772.90
Operation - prime 821	-	31,621.62	5,281.05	9,887.42	5,885.53	11,036.03	8,865.45	-	72,577.10
Total	20,500.00	63,625.00	8,075.00	15,425.00	9,925.00	17,325.00	14,925.00	6,550.00	156,350.00
Other:									
Maintenance - prime 836	8,200.00	22,157.15	2,525.80	5,779.90	4,395.60	2,504.70	2,882.60	1,300.00	49,745.75
Operation - prime 821	-	21,892.85	4,774.20	10,320.10	6,404.40	4,395.30	4,217.40	-	52,004.25
Total	8,200.00	44,050.00	7,300.00	16,100.00	10,800.00	6,900.00	7,100.00	1,300.00	101,750.00

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2002 O&M Budget
Reclass 2 - Segregate Measurement Budget Bucket

- Budget bucket 92071 contains the budget for activities 92020 and 92040.
- 92071 is in prime 932, while 92020 is in prime 875 and 92040 is in prime 893
- In order to record the budget in the appropriate prime account, the budget bucket will be allocated to primes 875 and 893 based on history.

		Budget	December YTD	Amounts	2002	Expenditur Organization
40010 Direct Labor Regular	92071 Measurement Admin Budget OE	30,000.00				
50010 G&A Mgmt Regular	92071 Measurement Admin Budget OE	60,000.00				
44010 IDE Mgmt Pay Regular	92071 Measurement Admin Budget OE	300,000.00				
44030 IDE Clerical Pay Regular	92071 Measurement Admin Budget OE	46,000.00				
44060 IDE Non-Prod Labor	92071 Measurement Admin Budget OE	3,000.00				
			439,000.00	Payroll		
42010 Contractor Work	92071 Measurement Admin Budget OE	12,000.00				
48010 Direct Material	92071 Measurement Admin Budget OE	25,000.00				
64030 G&A Pagers	92071 Measurement Admin Budget OE	500.00				
64130 G&A Seminars/Meeting Expenses	92071 Measurement Admin Budget OE	10,000.00				
64150 G&A Training	92071 Measurement Admin Budget OE	5,000.00				
64190 Other G&A	92071 Measurement Admin Budget OE	7,648.00				
44080 IDE Cell Phones	92071 Measurement Admin Budget OE	8,000.00				
44090 IDE Pagers	92071 Measurement Admin Budget OE	725.00				
44091 IDE Office Supplies	92071 Measurement Admin Budget OE	12,000.00				
44100 IDE Meals & Entertainment	92071 Measurement Admin Budget OE	2,300.00				
44110 IDE Transportation & Lodging	92071 Measurement Admin Budget OE	3,000.00				
44120 IDE Other Misc	92071 Measurement Admin Budget OE	6,000.00				
47020 Fuel Cost Gasoline	92071 Measurement Admin Budget OE	2,400.00				
47021 Fuel Cost Diesel	92071 Measurement Admin Budget OE	4,600.00				
			99,173.00	Other		
Category	92071 Measurement Admin Budget OE	538,173.00				
			538,173.00	Total		

Allocation Percentages:	-
Operation - 92020 - prime 875	62.59%
Maintenance - 92040 - prime 893	37.41%
	100.00%

Allocation of Budget	Payroll	Other	Total	
Operation - 92020 - prime 875	274,770.10	62,072.38	336,842.48	Reclass to prime 875
Maintenance - 92040 - prime 893	164,229.90	37,100.62	201,330.52	Reclass to prime 893
	439,000.00	99,173.00	538,173.00	Reclass from prime 932

MEASUREMENT

Percentage - Maintenance
Percentage - Operations

Activity:	December YTD			December YTD			Average		
	2003			2002			2002 - 2003		
	Actuals	Budget	%	Actuals	Budget	%	Actuals	Budget	%
92071 Measurement Admin Budget OE	-	130,675.00		-	538,173.00		-	334,424.00	
92020 Measurement Training	88,556.78	-	64.91%	94,401.72	-	60.55%	91,479.25	-	
92040 Shop Tools and Equip - Maint	47,877.35	-	35.09%	61,492.50	-	39.45%	54,684.93	-	
	136,434.13			155,894.22			146,164.18		

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2002 O&M Budget
Reclass 3 - Segregate Underground Storage Tanks Budaet Bucket

- Budget bucket 29412 is used to budget for three activities, 29412 Distribution Underground Storage Tanks, 29512 Transmission Underground Storage Tanks, and 29612 Storage Underground Storage Tanks.
- These three activities are in primes 885, 861, and 830, respectively.
- In order to segregate the amount budgeted for these three activities, the budget bucket will be split based on history.
- **NOTE - FOR 2002, BUDGETS WERE PREPARED FOR 29412, 29512, AND 29612 INDIVIDUALLY, THEREFORE, THIS RECLASS IS NOT NEEDED.**

		Organization Expenditure Type Amounts December YTD 2002 Actuals			Organization Expenditure Type Amounts December YTD 2003 Actuals			Average	Organization Expenditure Type Amounts December YTD 2002 Budget	
42010 Contractor Work Category	29412 Distr Undrgrnd Storage Tanks	22,531.86			9,275.16				12,372.00	
	29412 Distr Undrgrnd Storage Tanks	22,531.86	74.82%		9,275.16	22.94%		48.88%	12,372.00	
42010 Contractor Work Category	29512 Trans Underground Stor Tanks	2,860.50			1,608.24				12,373.00	
	29512 Trans Underground Stor Tanks	2,860.50	9.50%		1,608.24	3.98%		6.74%	12,373.00	
42010 Contractor Work	29612 Stor Undgnd Storage Tanks	4,500.62			29,546.59				12,366.00	
64080 G&A Office Supplies Category	29612 Stor Undgnd Storage Tanks	222.07			0				0	
	29612 Stor Undgnd Storage Tanks	4,722.69	15.68%		29,546.59	73.08%		44.38%	12,366.00	
Total		30,115.05	100.00%		40,429.99	100.00%		100.00%		

	Allocation %	Allocation Amount	
29412 Distr Undrgrnd Storage Tanks - prime 885.00	48.88%	6,047.43	No adjustment needed
29512 Trans Underground Stor Tanks - prime 861.00	6.74%	833.87	} Amount to reclass from prime 885
29612 Stor Undgnd Storage Tanks - prime 830.00	44.38%	5,490.69	
	100.00%	12,372.00	

Note: All expenses are non-payroll.

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2002 O&M Budget

Reclass 4: Reclass Company Use Gas

- The budget for company use gas is recorded in prime 819.
- Actual company use gas expense is segregated into various prime accounts:
 - Prime 819 - Gas used at storage fields
 - Prime 930.20 - Franchise gas therms
 - Prime 932 - Gas used at other company facilities, storage credits, taxes
- In addition, expense related to franchise gas therms must be recorded in prime 927, Franchise Requirements, with an offsetting credit recorded in prime 929, Duplicate Charges Credit
- The reclass will transfer dollars related to franchise gas therms, gas used at company facilities. storage credits, and taxes from prime 819 to the appropriate prime account.
- See Schedule A for breakdown.

		Budget	December Amounts	2002	prime81900	Organization
60261 Company Use & Franchise Gas Category	11997 Frachsise Gas - Budget	0				
	11997 Frachsise Gas - Budget	0				

Note - In 2002, company use gas was not budgeted as a component of O&M Expense. Instead, company use gas was budgeted as a component of Cost of Gas Expense. However, during restatements recorded in early 2003,2002 actuals were restated to include company use gas in O&M Expense. No reclass is needed in 2002.

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Reclass 5 - Gathering Lines Gas and Saline
Schedule A - Reclass a portion of Gathering Lines Expense-Gas recorded In Prime 833 (Maintenance) to Prime 817 (Operations):

Allocation Required:			Activity to be Allocated	2002 Budget-Prime 833 (Maintenance) Before Allocation			2002 Budget Allocation to Prime 817 (Operation)		
Prime to Allocate To:		Allocation % (a)		Payroll	Other	Total	Payroll	Other	Total
81700	Lines Expenses - Operations	31.03%	75263 Gather Lines Gas Troy Grmve	\$ 6,000.00	\$ 200.00	\$ 6,200.00	\$ 1,861.80	\$ 62.06	\$ 1,923.86
83300	Maintenance of Lines	68.97%							
		100.00%							
81700	Lines Expenses -Operations	55.94%	76263 Gather Lines Gas Ancona	12,000.00	6,500.00	18,500.00	6,712.80	3,636.10	10,348.90
83300	Maintenance of Lines	44.06%							
		100.00%							
81700	Lines Expenses -Operations	65.14%	77263 Gather Lines Gas Pont Mt S	3,000.00	250.00	3,250.00	1,954.20	162.85	2,117.05
83300	Maintenance of Lines	34.86%							
		100.00%							
81700	Lines Expenses - Operations	92.55%	78263 Gather Lines Gas Hudson	8,750.00	2,500.00	11,250.00	8,098.13	2,313.75	10,411.88
83300	Maintenance of Lines	7.45%							
		100.00%							
81700	Lines Expenses -Operations	91.01%	79263 Gather Lines Gas Pontiac Gales	4,500.00	750.00	5,250.00	4,095.45	682.58	4,778.03
83300	Maintenance of Lines	8.99%							
		100.00%							
81700	Lines Expenses -Operations	73.36%	80263 Gaiher Lines Gas Lake Bloom	12,500.00	7,500.00	20,000.00	9,170.00	5,502.00	14,672.00
83300	Maintenance of Lines	26.64%							
		100.00%							
81700	Lines Expenses -Operations	86.68%	82263 Gather Lines Gas Lexington	14,000.00	6,000.00	20,000.00	12,135.20	5,200.80	17,336.00
83300	Maintenance of Lines	13.32%							
		100.00%							
81700	Lines Expenses -Operations	82.43%	84263 Gather Lines Gas Pecalonica	-	-	-	-	-	-
83300	Maintenance of Lines	17.57%							
		100.00%							
				\$ 60,750.00	\$ 23,700.00	\$ 84,450.00	\$ 44,027.58	\$ 17,560.14	\$ 61,587.71

(a) Allocation percentages are the same percentages as used in preparation of 2002 ICC Annual Report

Reclass 5 - Gathering Lines Gas and Saline
Schedule B

- a. ~~Reclass Gathering Lines Expense-Saline recorded in Prime 833 (Maintenance) between Prime 821 (Operations) and Prime 836(Maintenance)~~:
b. ~~Reclass a portion of Gathering Lines Expense-Saline recorded in Prime 821 (Operations) to Prime 836 (Maintenance), Lancona and Pecatonica only)~~

Allocation Required:		Activity to be Allocated		2002 Budget-Prime 833 or 821 Before Allocation			2002 Budget Allocation to Prime 821 (Operation)			2002 Budget Allocation to Prime 836 (Maintenance)		
Prime to Allocate To:	Allocation % (a)			Payroll	Other	Total	Payroll	Other	Total	400100 Payroll	641800 Other	Total
82100 Purification Expense - Operations	51.86%	75265 Gather Lines Saline Troy Grove		\$ 2,000.00	\$ -	\$ 2,000.00	\$ 1,037.20	\$ -	\$ 1,037.20	\$ -	\$ 962.80	\$ 962.80
83600 Maintenance of Purification Equipment	48.14%											
	100.00%											
82100 Purification Expense - Operations	41.32%	76265 Gather Lines Saline Ancona		4,250.00	5,750.00	10,000.00				2,493.90	3,374.10	5,868.00
83600 Maintenance of Purification Equipment	58.68%											
	100.00%											
82100 Purification Expense - Operations	39.62%	77265 Gather Lines Saline Port Mt. S		2,450.00	3,250.00	5,700.00	970.69	1,287.65	2,258.34	1,479.31	1,962.35	3,441.66
83600 Maintenance of Purification Equipment	60.38%											
	100.00%											
82100 Purification Expense - Operations	14.20%	78265 Gather Lines Saline Hudson		4,500.00	4,750.00	9,250.00	639.00	674.50	1,313.50	3,961.00	4,075.50	7,936.50
83600 Maintenance of Purification Equipment	85.80%											
	100.00%											
82100 Purification Expense - Operations	68.14%	79265 Gather Lines Saline Port Gales		750.00	750.00	1,500.00	511.05	511.05	1,022.10	238.95	238.95	477.90
83600 Maintenance of Purification Equipment	31.86%											
	100.00%											
82100 Purification Expense - Operations	9.55%	80265 Gather Lines Saline Lake Bloom		4,250.00	5,750.00	10,000.00	405.88	548.13	955.00	3,844.13	5,200.86	9,045.00
83600 Maintenance of Purification Equipment	90.45%											
	100.00%											
82100 Purification Expense - Operations	16.08%	82265 Gather Lines Saline Lexington		4,250.00	5,750.00	10,000.00	683.40	924.60	1,608.00	3,566.80	4,825.40	8,392.00
83600 Maintenance of Purification Equipment	83.92%											
	100.00%											
82100 Purification Expense - Operations	40.00%	84265 Gather Lines Saline Pecatonica		-	-	-				-	-	-
83600 Maintenance of Purification Equipment	60.00%											
	100.00%											
(a) Allocation percentages are the same percentages as used in preparation of 2002 ICC Annual Report				\$ 22,450.00	\$ 26,000.00	\$ 48,450.00	\$ 4,247.22	\$ 3,946.93	\$ 8,194.14	\$ 16,446.69	\$ 19,677.18	\$ 36,123.86

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Prime 833 - Maintenance of Lines
Gatherinn Lines Expense - Gas and Saline
Detail by Account Category

	December YTD prime83300 40010 Direct Labor Regular	Organization Total Other	base amount Category	Budget	2002
75263 Gather Lines Gas Troy Grove	6,000.00	200.00	6,200.00		
76263 Gather Lines Gas Ancona	12,000.00	6,500.00	18,500.00		
77263 Gather Lines Gas Pont Mt S	3,000.00	250.00	3,250.00		
78263 Gather Lines Gas Hudson	8,750.00	2,500.00	11,250.00		
79263 Gather Lines Gas Pontiac Gales	4,500.00	750.00	5,250.00		
80263 Gather Lines Gas Lake Bloom	12,500.00	7,500.00	20,000.00		
82263 Gather Lines Gas Lexington	14,000.00	6,000.00	20,000.00		
84263 Gather Lines Gas Pecatonica	0		0	84,450.00	Total (A)
75265 Gather Lines Salne Troy Grove	2,000.00		2,000.00		
77265 Gather Lines Salne Pont Mt S	2,450.00	3,250.00	5,700.00		
78265 Gather Lines Salne Hudson	4,500.00	4,750.00	9,250.00		
79265 Gather Lines Salne Pont Gales	750.00	750.00	1,500.00		
80265 Gather Lines Salne Lake Bloom	4,250.00	5,750.00	10,000.00		
82265 Gather Lines Salne Lexington	4,250.00	5,750.00	10,000.00		
				38,450.00	Total (B)
	78,950.00	43,950.00	122,900.00		

(A) Agree to schedule E. Reclass a portion of this amount to prime 817 (Operations).
(B) Agree to schedule E. Allocate this amount between primes 821 (Operations) and 836 (Maintenance).

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Prime 821 - Purification Expenses
Gatherina Lines Gas and Saline
Detail By Account Category

	December YTD prime82100	Organization 48010 Direct Material	base amount Budget 67240 G&A Utilities	2002
40010 Direct Labor Regular	42010 Contractor Work		Category	
75250 Gas Cond Budget - Troy Grove	20,500.00	4,000.00	4,200.00	0 28,700.00
76250 Gas Cond Budget - Ancona	63,625.00	17,250.00	26,800.00	0 107,675.00
77250 Gas Cond Budget - Pont Mt S	8,075.00	900.00	6,400.00	0 15,375.00
78250 Gas Cond Budget - Hudson	15,425.00	900.00	15,200.00	0 31,525.00
79250 Gas Cond Budget - Pont Gales	9,925.00	2,200.00	8,600.00	0 20,725.00
80250 Gas Cond Budget - Lake Bloom	17,325.00	1,900.00	5,000.00	0 24,225.00
82250 Gas Cond Budget - Lexington	14,925.00	900.00	6,200.00	0 22,025.00
84250 Gas Cond Budget - Pecatonica	6,550.00	0	1,300.00	0 7,850.00
75200 Gas Cond Cnsmble Troy Grove	200.00	0	15,000.00	0 15,200.00
76200 Gas Cond Cnsmble Ancona	0	350.00	26,500.00	0 26,850.00
77200 Gas Cond Cnsmble Pontiac Mt S	0	400.00	9,400.00	0 9,800.00
78200 Gas Cond Cnsmble Hudson	0	300.00	3,900.00	0 4,200.00
79200 Gas Cond Cnsmble Pontiac Gales	0	300.00	4,500.00	0 4,800.00
80200 Gas Cond Cnsmble Lake Bloom	0	1,000.00	6,900.00	0 7,900.00
82200 Gas Cond Cnsmble Lexington	0	300.00	3,900.00	0 4,200.00
84200 Gas Cond Cnsmble Pecactonica	0	0	10,000.00	0 10,000.00
75257 Gas Cond Maint Troy Grove	13,000.00	0	4,100.00	0 17,100.00
84257 Gas Cond Maint Pecatonica	4,300.00	0	750.00	0 5,050.00
76265 Gather Lines Saline Ancona	4,250.00	3,000.00	2,750.00	0 10,000.00 (A)
ACT UTILITY	178,100.00	33,700.00	161,400.00	0 373,200.00

(A) Reclass portion from prime 821 to prime 836.

Prime 833 - Maintenance of Lines
Summary Bv Activity
(Before Reclass)

December YTD Organization

		base amount	Budget
		prime83300	
		2002	
Category	75600 Corr General - Troy Grove	8,284.00	
	76600 Corr General - Ancona	8,284.00	
	77600 Corr General - Pontiac Mt S	8,284.00	
	78600 Corr General - Hudson	8,284.00	
	79600 Corr General - Pontaic Gales	8,284.00	
	80600 Corr General - Lake Bloom	8,284.00	
	82600 Corr General - Lexington	8,284.00	
	84600 Corr General - Pecatonica	8,284.00	
	75601 Corr Internal - Troy Grove	8,284.00	
	76601 Corr Internal - Ancona	8,284.00	
	77601 Corr Internal - Pontiac Mt S	8,282.00	
	78601 Corr Internal - Hudson	8,282.00	
	79601 Corr Internal - Pontiac Gales	8,282.00	
	80601 Corr Internal - Lake Bloom	8,282.00	
	82601 Corr Internal - Lexington	8,282.00	
	84601 Corr Internal - Pecatonica	8,282.00	
	75602 Corr External - Troy Grove	8,282.00	
	76602 Corr External - Ancona	8,282.00	
	77602 Corr External - Pontiac Mt S	8,282.00	
	78602 Corr External - Hudson	8,282.00	
	79602 Corr External - Pontiac Gales	8,292.00	
	80602 Corr External - Lake Bloom	8,292.00	
	82602 Corr External - Lexington	8,292.00	
	84602 Corr External - Pecatonica	8,292.00	
	75603 Corr Failure - Troy Grove	8,292.00	
	76603 Corr Failure - Ancona	8,292.00	
	77603 Corr Failure - Pontiac Mt S	8,292.00	
	78603 Corr Failure - Hudson	8,292.00	
	79603 Corr Failure - Pontiac Gales	8,292.00	
	80603 Corr Failure - Lake Bloom	8,292.00	
	82603 Corr Failure - Lexington	8,292.00	
	84603 Corr Failure - Pecatonica	8,292.00	
	75604 Corr Devices - Troy Grove	8,292.00	
	76604 Corr Devices - Ancona	8,292.00	
	77604 Corr Devices - Pontiac Mt S	8,292.00	
	78604 Corr Devices - Hudson	8,292.00	
	79604 Corr Devices - Pontiac Gales	8,292.00	
	80604 Corr Devices - Lake Bloom	8,292.00	
	82604 Corr Devices - Lexington	8,292.00	
	84604 Corr Devices - Pecatonica	8,293.00	
	75263 Gather Lines Gas Troy Grove	6,200.00	
	76263 Gather Lines Gas Ancona	18,500.00	
	77263 Gather Lines Gas Pont Mt S	3,250.00	
	78263 Gather Lines Gas Hudson	11,250.00	
	79263 Gather Lines Gas Pontiac Gales	5,250.00	
	80263 Gather Lines Gas Lake Bloom	20,000.00	
	82263 Gather Lines Gas Lexington	20,000.00	
	75265 Gather Lines Saine Troy Grove	2,000.00	
	77265 Gather Lines Saine Pont Mt S	5,700.00	
	78265 Gather Lines Saine Hudson	9,250.00	
	79265 Gather Lines Saine Pont Gales	1,500.00	
	80265 Gather Lines Saine Lake Bloom	10,000.00	
	82265 Gather Lines Saine Lexington	10,000.00	
	ACT UTILITY	454,401.00	
		454,401.00	

Prime 821 - Purification Expense - Summary
Summary Bv Activity
(Before Reclass)

December YTD Organization		base amount prime82100 2002	Budget
Category	75250 Gas Cond Budget - Troy Grove	28,700.00	
	76250 Gas Cond Budget - Ancona	107,675.00	
	77250 Gas Cond Budget - Pont Mt S	15,375.00	
	78250 Gas Cond Budget - Hudson	31,525.00	
	79250 Gas Cond Budget - Pont Gales	20,725.00	
	80250 Gas Cond Budget - Lake Bloom	24,225.00	
	82250 Gas Cond Budget - Lexington	22,025.00	
	84250 Gas Cond Budget - Pecatonica	7,850.00	
	75200 Gas Cond Cnsmble Troy Grove	15,200.00	
	76200 Gas Cond Cnsmble Ancona	26,850.00	
	77200 Gas Cond Cnsmble Pontiac Mt S	9,800.00	
	78200 Gas Cond Cnsmble Hudson	4,200.00	
	79200 Gas Cond Cnsmble Pontiac Gales	4,800.00	
	80200 Gas Cond Cnsmble Lake Bloom	7,900.00	
	82200 Gas Cond Cnsmble Lexington	4,200.00	
	84200 Gas Cond Cnsmble Pecactonica	10,000.00	
	75257 Gas Cond Maint Troy Grove	17,100.00	
	84257 Gas Cond Maint Pecatonica	5,050.00	
	76265 Gather Lines Saine Ancona	10,000.00	
ACT UTILITY		373,200.00	
		373,200.00	

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Reclass 6 - Reclass Storage Training Expense

- Training expenses related to the storage and transmission areas are combined in two activities, 91702 and 91703.
- These expenses are in prime 850 - Operations Supervision and Engineering of Transmission Facilities
- Training expense related to the storage area must be reclassified from prime 850 to prime 814 - (Supervision and Engineering of Storage Operations)
- Based on history, a percentage is reclassified to prime 814.

	Organization prime85000 2002 Amounts December YTD Budget	Organization prime85000 2002 Amounts December YTD Budget		Storage (91%) - Prime 814	Transmission (9%) - Prime 850
	91702 Industry Seminars & Training	91703 Stor- Trans Safety&Gen Info Mtg	Total		
Payroll:					
40010 Direct Labor Regular	106,550.00	144,000.00			
	106,550.00	144,000.00	250,550.00	228,000.50	22,549.50
Other:					
42010 Contractor Work	13,500.00	7,000.00			
64130 G&A Seminars/Meeting Expenses	6,900.00	9,737.00			
64150 G&A Training	11,350.00	9,500.00			
64160 G&A Meals & Entertainment	2,400.00	2,400.00			
64170 G&A Transportation & Lodging	2,400.00	2,400.00			
	36,550.00	31,037.00	67,587.00	61,504.17	6,082.83
Total	143,100.00	175,037.00	318,137.00	289,504.67	28,632.33
				↓ Amount to be Reclassified	

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Prime 850 - Operations Supervision and Engineering of Transmission Facilities

Summary By Activity

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ACT UTILITY

54838 Trans-C Mtgs & Training	75,760.00	}	Transmission
54839 Trans-C Operator Qualif Training	7,300.00		
91702 Industry Seminars & Training	143,100.00		
91703 Stor-Trans Safety&Gen Info Mtg	475,037.00	}	Transmission & Storage (need to allocate a portion to prime 814)
	101,197.00		

Category
December YTD
Organization
Budget
base amount
prime85000
2002

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Reclass 6 - Reclass Storage Training Expense

- Training expenses related to the storage and transmission areas are combined in two activities, 91702 and 91703.
- In order to properly report in the ICC annual report, training expense related to the storage area is reclassified from prime 850 to prime 814 (Supervision and Engineering of Storage Operations)
- In order to reclass budgeted amounts related to storage, history will be used to determine a percentage of the expense recorded in activities 91702 and 91703 that relates to storage.

	Organization prime85000 2003 Amounts December YTD Actuals Category	organization prime85000 2002 Amounts December YTD Actuals Category	Average
91702 Industry Seminars & Training	115,465.12	138,090.82	
91703 Stor-Trans Safety&Gen Info Mtg	129,260.62	176,814.55	
Total	<u>244,725.74</u>	<u>314,905.37</u>	
Amount allocated to Storage	224,294.78	284,550.56	
Percentage allocated to Storage	92%	90%	91%
Percentage to Transmission	8%	10%	9%

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Reclass 7 - Reclass A&G Payroll, Other

- Payroll and Other expense related to A&G departments is accumulated together in an allocation prime, 92021. Amounts are then segregated into the appropriate prime account at year end, based on the general ledger account that was charged. In addition, this allocation prime includes costs incurred by A&G departments related to consulting/professional services, and the billed to affiliate credit.

	Payroll & Billed to Affiliate Credits	Other	Total
Amount in Prime 92021	26,915,953.76	18,904,056.45	45,820,010.21
<u>Reclass to:</u>			
Prime 920 - A&G Salaries	31,284,567.38		31,284,567.38
Prime 921 - A&G Office Supplies		15,281,248.12	15,281,248.12
Prime 922 - A&G Expenses Transferred Credit	(5,133,613.62)	(363,873.16)	(5,497,486.78)
Prime 923 - Outside Services Employed		3,852,772.49	3,852,772.49
Prime 885 - Distribution Maintenance Sup & Eng	510,025.50	89,277.13	599,302.63
Prime 861 - Transmission Maintenance Sup & Eng	109,242.00	19,122.21	128,364.21
Prime 830 - Storage Maintenance Sup & Eng	145,732.50	25,509.66	171,242.16
Total Reclass	<u>26,915,953.76</u>	<u>18,904,056.45</u>	<u>45,820,010.21</u>

- Payroll and Other expense related to A&G departments is accumulated together in an allocation prime, 92021. Amounts are then segregated into the appropriate prime account at year end, based on the general ledger account that was charged. In addition, this allocation Prime includes costs incurred by A&G departments related to consulting/professional services, and the billed to affiliate credit.

Prime 92021 Summary - By Account Category		Budget	
		base amount	
		Organization	
		December YTD	
		prime92021	
		2002	
40010 Direct Labor Regular	Activity	549,415.40	
42010 Contractor Work	Activity	1,040.00	
44010 IDE Mgmt Pay Regular	Activity	740,000.00	
44030 IDE Clerical Pay Regular	Activity	25,000.00	
44070 IDE Skill Tool	Activity	25,152.00	
44120 IDE Other Misc	Activity	108,757.00	
47020 Fuel Cost Gasoline	Activity	45,048.00	
47021 Fuel Cost Diesel	Activity	323.50	
48010 Direct Material	Activity	77,500.00	
50010 G&A Mgmt Regular	Activity	27,636,655.93	
52010 G&A Clerical Regular	Activity	3,098,496.05	
56010 G&A Consults/Professional Svcs	Activity	2,302,197.55	
56020 G&A Contractors	Activity	287,100.00	
56030 G&A Legal Mayer Brown & Platt	Activity	1,067,974.94	
56040 G&A Legal other than MB&P	Activity	194,460.00	
56050 G&A Maint Fees Srvcs Contracts	Activity	2,774,195.00	
56060 G&A Maint Fees Software	Activity	1,102,918.00	
56070 G&A Temporary Clerical Help	Activity	86,704.00	
60060 Software Expense Reclass	Activity	2,825,300.00	
60090 Payroll Additives	Activity	7,200.00	
64010 G&A Advertising	Activity	315,346.50	
64020 G&A Cell Phones	Activity	226,482.60	
64030 G&A Pagers	Activity	100,684.63	
64040 G&A Communication Services	Activity	3,301,561.86	
64050 G&A Duplicating Exp	Activity	175,676.87	
64060 G&A Forms	Activity	332,838.46	
64070 G&A Memberships/Dues	Activity	228,645.00	
64080 G&A Office Supplies	Activity	276,466.28	
64090 G&A Postage Shipping	Activity	41,933.00	
64100 G&A Postage US Mail	Activity	479,040.71	
64110 G&A Publications	Activity	143,295.87	
64120 G&A Rental Expense	Activity	152,351.00	
64130 G&A Seminars/Meeting Expenses	Activity	298,741.13	
64140 G&A Software	Activity	545,050.00	
64150 G&A Training	Activity	343,258.24	
64160 G&A Meals & Entertainment	Activity	244,471.63	
64170 G&A Transportation & Lodging	Activity	412,267.76	
64180 G&A Contribution	Activity	148,500.00	
64190 Other G&A	Activity	1,742,708.08	
64195 Info Service to CWIP Credit	Activity	(2,025,400.00)	
67030 G&A Bank Services/Fee	Activity	192,935.00	
67040 G&A Debt Rating/Stock Listing	Activity	81,000.00	
67240 G&A Utilities	Activity	508,960.00	
67250 G&A Waste Disposal & Recycling	Activity	129,240.00	
69997 Transfer To Below the Line	Activity	(33,995.00)	
Category	Activity	45,820,010.21	

Payroll	32,049,567.38	
	(5,497,486.78)	[payroll = (5,133,613.62),
Consulting Professional Services	3,852,772.49	other= (363,873.16)]
Other/Office Supplies	15,415,157.12	
	45,820,010.21	

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Reclass 7 - Reclass of 92021
- In order to reclass corrosion admin budget for activity 26001 to Distribution, Transmission, and Storage, an allocation is used, based on corrosion budget for each of these areas.
 • This schedule is used to determine the allocation of dollars in activity **26001** to primes **830, 861, and 885..**

	Budget	December Amounts		2002 prime92021	Organization 26001 Admin - IDE
44010 IDE Mgmt Pay Regular	740,000.00	}	Payroll	765,000.00	
44030 IDE Clerical Pay Regular	25,000.00				
44070 IDE Small Tools	25,152.00				
44120 IDE Other Misc	108,757.00	}	Other	133,909.00	
Category	<u>898,909.00</u>				
				<u>898,909.00</u>	

Allocation:	Percentage (a)	Payroll	Other	Total
Distribution - Reclass to Prime 885 - Distribution Maint Sup & Ena	66.67%	510,025.50	89,277.13	599,302.63
Transmission - Reclass to Prime 861 -Transmission ~ a m ,Sup & Eng	14.28%	109,242.00	19,122.21	128,364.21
Storage - Reclass to Prime 830 - Storage Maint Sup & Eng	19.05%	145,732.50	25,509.66	171,242.16
	100.00%	<u>765,000.00</u>	<u>133,909.00</u>	<u>898,909.00</u>

(a) Source - Schedule D

Reclass 7 - Reclass of 92021

- In order to **reclass** corrosion admin budget for activity 26001 to Distribution, Transmission, and Storage, an allocation is used, based on corrosion budget for each of these areas.
- Other corrosion expenses are recorded in primes 887 (Distribution), 863 (Transmission), and 833 (Storage).
- This schedule is used to determine the allocation percentages for each of these three areas.

		Budget	December Amounts	2002	Category	Organization
prime88700	26006 Analysys Exist Facilities	192,296.00				
	26009 Cath Prot Repairs - Co	220,782.00				
	26010 Insul Ftg Reg-Exist Mr Inst	6,521.00				
	26013 Cath Prot Repairs - Contr	217,055.00				
	26019 Annual Util Read Pmg	124,830.00				
	26020 Annual Meter Read Prog	164,887.00				
	26021 Rectif Read 8 Maint	96,137.00				
	26023 Bond Read 8 Maint	30,742.00				
	26024 Stray Cumt Read 8 Maint	5,588.00				
	26025 Exposed Main Read & Maint	4,472.00				
	26028 Misc Field Analysis	97,087.00				
	Total Corrosion	Distribution	1,160,397.00	66.67%		
prime86300	54600 Trans - C Corrosion General	16,571.00				
	86600 Trans - W Con General	16,574.00				
	72600 Trans - S Corr General	16,574.00				
	54601 Trans - C Corrosion Internal	16,574.00				
	86601 Trans - W Corr Internal	16,574.00				
	72601 Trans - S Corr Internal	16,574.00				
	54602 Trans - C Corrosion External	16,574.00				
	86602 Trans - W Corr External	16,574.00				
	72602 Trans - S Corr External	16,574.00				
	54603 Trans - C Corrosion Failure	16,574.00				
	86603 Trans - W Corr Failure	16,574.00				
	72603 Trans - S Corr Failure	16,574.00				
	54604 Trans - C Corrosion Devices	16,574.00				
	86604 Trans - W Con Devices	16,574.00				
	72604 Trans - S Corr Devices	16,574.00				
	Total Corrosion - Transmission		248,607.00	14.28%		
prime83300	75600 Corr General - Troy Grove	8,284.00				
	76600 Corr General - Ancona	8,284.00				
	77600 Corr General - Pontiac Mt S	8,284.00				
	78600 Corr General - Hudson	8,284.00				
	79600 Corr General - Pontiac Gales	8,284.00				
	80600 Corr General - Lake Bloom	8,284.00				
	82600 Corr General - Lexington	8,284.00				
	84600 Corr General - Pecatonica	8,284.00				
	75601 Corr Internal - Troy Grove	8,284.00				
	76601 Corr Internal - Ancona	8,284.00				
	77601 Corr Internal - Pontiac Mt S	8,282.00				
	78601 Corr Internal - Hudson	8,282.00				
	79601 Corr Internal - Pontiac Gales	8,282.00				
	80601 Corr Internal - Lake Bloom	8,282.00				
	82601 Corr Internal - Lexington	8,282.00				
	84601 Corr Internal - Pecatonica	8,282.00				
	75602 Corr External - Troy Grove	8,282.00				
	76602 Con External - Ancona	8,282.00				
	77602 Corr External - Pontiac Mt S	8,282.00				
	78602 Corr External - Hudson	8,282.00				
	79602 Corr External - Pontiac Gales	8,292.00				
	80602 Corr External - Lake Bloom	8,292.00				
	82602 Corr External - Lexington	8,292.00				
	84602 Corr External - Pecatonica	8,292.00				
	75603 Corr Failure - Tmy Gmve	8,292.00				
	76603 Corr Failure - Ancona	8,292.00				
	77603 Corr Failure - Pontiac Mt S	8,292.00				
	78603 Corr Failure - Hudson	8,292.00				
	79603 Corr Failure - Pontiac Gales	8,292.00				
	80603 Con Failure - Lake Bloom	8,292.00				
	82603 Corr Failure - Lexington	8,292.00				
	84603 Corr Failure - Pecatonica	8,292.00				
	75604 Con Devices - Troy Grove	8,292.00				
	76604 Con Devices - Ancona	8,292.00				
	77604 Corr Devices - Pontiac Mt S	8,292.00				
	78604 Corr Devices - Hudson	8,292.00				
	79604 Con Devices - Pontiac Gales	8,292.00				
	80604 Corr Devices - Lake Bloom	8,292.00				
	82604 Corr Devices - Lexington	8,292.00				
	84604 Corr Devices - Pecatonica	8,293.00				
	Total Corrosion - Storage			19.05%		
		<u>1,740,505.00</u>	<u>100.00%</u>			

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Reclass 8 - Misc. Reclass From Prime 922 - Administrative Expenses Transferred - Summary

- Included in budgeted amounts for prime 922 is activity 96526, Cost of Services Rendered Misc. This includes both consolidated pool charges and certain benefit plans. Since consolidated pool charges are not an administrative expense credit, they do not belong in prime 922. These dollars will be reclassified to prime 921, Office Supplies Expenses. In addition, benefit plans that are accumulated in this activity will be reclassified to prime 920, A&G Salaries, where other benefit plans are reported.

		Budget base amount Organization December YTD prime92200 2002	
90103 G&A To CWIP-Cr	60200 G&A to CWIP Credit	(750,000.00)	
	Category	(750,000.00)	
96526 Cost of Service Rendered Misc	60080 Consolidated pool Charges	4,130,080.00	(A)
	60090 Payroll Additives	(2,896,433.00)	
	60220 Nicor Long Term Plan	739,704.00	(B)
	60230 Nicor Stock Deferral Plan	35,400.00	
	60231 Restricted Stock Plan	0	
	60232 SERP	0	
	60235 Nicor Stock Options	0	
	60240 Nicor Bonus Plan	504,059.00	
	Category	2,512,810.00	
ACT UTILITY	Category	1,762,810.00	

(A) Reclass Consolidated Pool (account category 60080) to prime 921 - Office Supplies and Expenses
(B) Reclass Benefit Plans to prime 920 - Administrative and General Salaries

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Reclass 8 - Misc. Reclass From Prime 922 - Administrative Expenses Transferred - Summary

- This schedule shows a summary of prime 922 Administrative Expenses Transferred Credit, before any allocations are made.

		Organization
		Category
		prime92200
		2002
		Amounts
		December YTD
		Budget
Activity	90103 G&A To CWIP-Cr	(750,000.00)
	96526 Cost of Service Rendered Misc.	<u>2,512,810.00</u>
		<u><u>1,762,810.00</u></u>

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Reclass 8 - Misc. Reclass From Prime 922 - Administrative Expenses Transferred - Summary

- This schedule shows detail of prime 920 A&G Salaries, before any allocations are made. The purpose of this schedule is to provide detail of benefit plans accounted for in prime 920.

Activity	Category	Budget
	base amount	
	Organization	
	December YTD	
	prime92000	
	2002	
91326 Annual Mgt Incentive P'rgm 1-6		1,234,559.00
91322 Perf Incentive Prgrm - Mgrs		702,967.00
91361 Officer Bonus - Nicor Gas		1,031,108.00
91320 Mgmt Incentv Prgm - Nicor Gas		25,000.00
91392 Discretionary Incentives		25,000.00
91391 ICU Dividend		574,266.00
91362 Flex - Nicor Gas		19,060.00
		<u>3,611,960.00</u>

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2002 O&M Budget
Allocation 1- Allocation of Storage Overhead, Transportation, and Communications from Prime 81401

Schedule A -Allocation

- Storage supervision and general expenses are recorded in an allocation prime account, 81401.
- This allocation allocates these storage supervision and general expenses among all the storage primes. The allocation is based on payroll for each prime.

NOTE : ALLOCATION SUPPORT

SHAPED BOXES BELOW CONTAIN DATA FOR EACH "COLUMN" IN SCHEDULE

Prime 81401

Total Charges (a)		
December YTD	Payroll	Other
1,308,486.06	918,005.05	390,481.01

Allocation to Storane Primes:

Operation

- Maps and Records
- Wells Expense
- Lines Expense
- Compressor Station Expenses
- Compressor Station Fuel and Power
- Measuring and Regulating Station Expense
- Purification Expense
- Exploration and Development
- Other Expenses
- Rents

Maintenance

- Maintenance of Structures and Improvements
- Maintenance of Reservoirs and Wells
- Maintenance of Lines
- Maintenance of Compressor Station Equipment
- Maintenance of Measuring and Regulating Station Equipment
- Maintenance of Purification Equipment
- Maintenance of Other Equipment

Prime Acct.	Payroll (b)	Payroll as a % of Totals	Amount Allocated From 81401		
			Payroll	Other	Total
81500	0.00	0.00%	0.00	0.00	0.00
81600	305,600.00	22.25%	204,256.12	86,882.02	291,138.15
81700	44,027.58	3.21%	29,467.96	12,534.44	42,002.40
81800	227,753.50	16.59%	152,297.04	64,780.80	217,077.84
81900	0.00	0.00%	0.00	0.00	0.00
82000	39,100.00	2.85%	26,163.14	11,128.71	37,291.85
82100	96,080.42	7.00%	64,260.35	27,333.67	91,594.02
82200	0.00	0.00%	0.00	0.00	0.00
82400	0.00	0.00%	0.00	0.00	0.00
82600	0.00	0.00%	0.00	0.00	0.00
83100	155,350.00	11.32%	103,918.17	44,202.45	148,120.62
83200	113,550.00	8.27%	75,919.02	32,292.78	108,211.80
83300	17,172.41	1.25%	11,475.06	4,881.01	16,356.08
83400	272,646.50	19.86%	182,315.80	77,549.53	259,865.33
83500	0.00	0.00%	0.00	0.00	0.00
83600	99,769.59	7.27%	66,738.97	28,387.97	95,126.94
83700	1,850.00	0.13%	1,193.41	507.63	1,701.03
Total	1,372,900.00	100.00%	918,005.05 (0.00)	390,481.01 0.00	1,308,486.06 0.00

Sources:

- (a) Allocation 1 - Schedule B
- (b) Payroll by Prime, After Reclass Entries

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Alloc 1- Schedule B

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2002 O&M Budget
Allocation 2- Allocation of Transmission Overhead, Transportation, and Communications from Prime 85001
Schedule A -Allocation

- Transmission supervision and general expenses are recorded in an allocation prime account, 85001.
- This allocation allocates these transmission supervision and general expenses among all the transmission primes. The allocation is based on payroll for each prime.

Prime 85001

Total Charges (a)		
December YTD	Payroll	Other
1,078,749.44	954,578.47	124,170.97

Allocation to Transmission Primes:
Operation

System Control and Load Dispatching
Mains Expense
Measuring and Regulating Station Expenses
Other Expenses

			Amount Allocated		
Prime Acct.	Payroll (b)	Payroll as a % of total	Payroll	Other	Total
85100	467,189.28	34.76%	331,811.48	43,161.83	374,973.31
85600	319,067.00	23.74%	226,616.93	29,478.19	256,095.12
85700	226,990.00	16.89%	161,228.30	20,972.48	182,200.78
85900	0.00	0.00%	-	-	-
86200	59,000.00	4.39%	41,905.99	5,451.11	47,357.10
86300	32,692.00	2.43%	23,196.26	3,017.35	26,213.61
86500	238,216.00	17.73%	169,246.76	22,015.51	191,262.28
86700	800.00	0.06%	572.75	74.50	647.25
Total	1,343,954.28	100.00%	954,578.47	124,170.97	1,078,749.44
			0.00	0.00	0.00

Sources:
(a) Allocation 2 - Schedule B
(b) Payroll by Prime, After Reclass Entries

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Allocation **2-Allocation of Transmission** Overhead, Transportation, and Communications **from Prime 85001**
Schedule **B-Prime 85001** Detail

Budget	Organization	December YTD base amount 2002		prime85001																						
40010																										
Direct	44010 IDE	44030 IDE	44060 IDE						47010 Fleet																	
Labor	Mgmt Pay	Clerical Pay	Non-Prod						Basic	47020 Fuel	47050 Fleet	G M	64050	64130 G M												
Regular	Regular	Regular	Labor	44070 IDE	44080 IDE	44090 IDE	44120 IDE	44130 IDE	To Monthly	Cost	To CWIP	Dupliw	eeing	64150 G&A	64190	44091 IDE	44100 IDE	44110 IDE	47022							
				Small Tools	Cell Phones	Pagers	Other Misc	CWIP	Charge	Gasoline	Credit	g Exp	Expenses	Training	Other G&A	Supplies	Cost Diesel	Meals 8	Transportation	Fuel Cost	Ethanol	Category				
54700 Trans-C Supervision8 General	0	700,000.00	70,000.00	51,200.00	43,800.00	30,000.00	4,000.00	40,155.00	0	0	0	0	0	0	15,902.00	10,000.00	0	11,000.00	9,000.00	0	985,057.00	985,057.00				
54887 Trans-C Fleet	0	0	0	0	0	0	0	0	0	93,900.00	0	0	0	0	0	0	5,500.00	0	0	0	99,400.00	99,400.00				
86700 Sup 8 Gen Transmsn West	0	74,393.57	19,484.96	999.97	2,999.93	7,986.14	999.97	8,999.69	0	0	0	0	0	0	100.00	4,499.95	2,199.92	0	2,499.92	1,499.95	0	126,663.97	126,663.97	-		
72700 Sup & Gen Transmsn South	0	33,600.00	3,900.00	0	2,300.00	9,000.00	400.00	200.00	0	0	0	0	0	0	500.00	0	0	300.00	0	0	50,200.00	50,200.00				
86699 Trans-West Error Suspense	999.97	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	999.97	999.97				
86887 TnsmFleet WEST	0	0	0	0	0	0	0	0	0	16,999.95	0	0	0	0	0	0	3,749.95	0	0	0	20,749.90	20,749.90				
72887 TrnsmFleet South	0	0	0	0	0	0	0	0	0	8,961.00	0	0	0	0	0	0	0	0	0	0	8,961.00	8,961.00	-			
72699 Trans-South Error Suspense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
92051 IDE VP Operations To CWIP-Cr	0	0	0	0	0	0	0	0	(208,825.81)	0	0	0	0	0	0	0	0	0	0	0	(208,825.81)	(208,825.81)	-			
92057 Fleet Transmsn To CWIP-Cr	0	0	0	0	0	0	0	0	0	0	(4,456.59)	0	0	0	0	0	0	0	0	0	(4,456.59)	(4,456.59)	-			
92059 Collisn Dmg VP Oper CWIP-Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Activity	999.97	807,993.57	93,384.96	52,199.97	49,099.93	46,986.14	5,399.97	49,354.69	(208,825.81)	0	119,860.95	(4,456.59)	0	0	100.00	20,901.95	12,199.92	9,249.95	13,799.92	10,499.95	0	1,078,749.44	1,078,749.44			
	999.97	807,993.57	93,384.96	52,199.97	49,099.93	46,986.14	5,399.97	49,354.69	(208,825.81)	-	119,860.95	(4,456.59)	-	-	100.00	20,901.95	12,199.92	9,249.95	13,799.92	10,499.95	-	1,078,749.44				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Payroll		954,578.47																								
Total Other		124,170.97																								
		1,078,749.44																								

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2002 O&M Budget
Allocation 3 -Allocation of Distribution Overhead, Transportation, and Communications from Prime 87001
Schedule A -Allocation

- Distribution supervision and general expenses are recorded in an allocation prime account, 87001.
- This allocation allocates these distribution expenses among prime accounts charged by distribution employees.
- The allocation is based on payroll for each prime.

Prime 87001

Total Charges (a)		
December YTD	Payroll	Other
2,248,212.56	6,411,134.38	(4,162,921.82)

Allocation to Distribution Primes:

	Prime Acct	Payroll (b)	Payroll as a % of Total	Amount Allocated		
				Payroll	Other	Total
Operation						
Distribution Load Dispatching	87100	8,684.75	0.06%	3,846.68	(2,497.75)	1,348.93
Mains and Services Expenses	87400	7,115,503.87	45.39%	2,910,013.90	(1,889,550.21)	1,020,463.68
Measuring and regulating Station Expenses - General	87500	274,770.10	1.75%	112,194.85	(72,851.13)	39,343.72
Measuring and regulating Station Expenses - Industrial	87600	283,715.12	1.81%	116,041.53	(75,348.88)	40,692.65
Measuring and regulating Station Expenses - City Gate Check	87700	307,500.00	1.96%	125,658.23	(81,593.27)	44,064.97
Other Expenses	88000	14,979.90	0.10%	6,411.13	(4,162.92)	2,248.21
Rents	88100	0.00	0.00%	-	-	-
Maintenance						
Maintenance Structures and Improvements	88600	0.00	0.00%	-	-	-
Maintenance Mains	88700	2,554,463.98	16.29%	1,044,373.79	(678,139.96)	366,233.83
Maintenance of Measuring and Reg. Station Equip. - General	88900	473,031.85	3.02%	193,616.26	(125,720.24)	67,896.02
Maintenance of Measuring and Reg. Station Equip. - Industrial	89000	734,431.24	4.68%	300,041.09	(194,824.74)	105,216.35
Maintenance of Services	89200	1,966,271.00	12.54%	803,956.25	(522,030.40)	281,925.86
Maintenance of Meters and House Regulators	89300	1,943,367.90	12.40%	794,980.66	(516,202.31)	278,778.36
	Total	15,676,719.71	100.00%	6,411,134.38	(4,162,921.82)	2,248,212.56
				0.00	0.00	0.00

Sources:

- (a) Alloc 3 - Schedules B and C
- (b) Payroll by Prime, After Reclass Entries

Allocation 3 - Allocation of Distribution Overhead, Transportation, and Communicatlons from Prime 87001
Schedule B - Prime 87001 Total Expense

	Budget Account Categories	Organization	December Y1 base amount	2002	prime87001
26027 Field Supv 8 General	6,986.00				
26002 Employee Info Mgt's	9,875.00				
26003 Job Training	37,696.00				
26990 Fleet Costs	52,540.00				
36131 Workload Admin To CWIP-Cr	(1,347,565.00)				
38990 Maint-C Fleet Oper Costs	103,719.00				
38700 Maint-C Remote Rptg Loc	19,000.00				
38701 Maint-C Supv 8 Clerical	679,689.00				
38703 Maint-C Non-Prod Time	70,000.00				
38704 Maint-C Small Tools&Equip	399,327.00				
38705 Maint-C Inclmmt Wealh-Job Site	81,000.00				
37990 Maint-N Fleet Oper Costs	135,659.00				
37700 Maint-N Remote Rptg Loc	1,000.00				
37701 Maint-N Supv 8 Clerical	843,353.00				
37703 Maint-N Non-Prod Time	40,000.00				
37704 Maint-N Small Tools&Equip	296,797.00				
37705 Maint-N Inclmmt Weath-Job Site	80,000.00				
39990 Maint-M Fleet Oper Costs	129,837.00				
39701 Maint-M Supv 8 Clerical	772,034.00				
39703 Maint-M Non-Prod Time	75,000.00				
39704 Maint-M Small Tools&Equip	366,949.00				
39705 Maint-M Inclmmt Weath-Job Site	96,000.00				
40990 Maint-S Fleet Oper Costs	137,796.00				
40701 Maint-S Supv 8 Clerical	497,827.00				
40703 Maint-S Non-Prod Time	45,000.00				
40704 Maint-S Small Tools&Equip	291,401.00				
40705 Maint-S Inclmmt Weath-Job Site	71,063.00				
41018 Maint-CA Commncate Oth/M-Work	8,000.00				
41401 Maint-CA Suprv&Gen Clerk-Oper	118,750.00				
41404 Maint-CA Sml Tools/Equip-Oper	2,250.00				
41990 Maint-CA -Fleet Costs	57,957.00				
48990 Press-C Fleet Oper Costs	46,000.00				
48831 Press-C Supv 8 General	266,009.00				
48834 Press-C Small Tools 8 Equip	47,972.00				
47990 Press-N Fleet Oper Costs	56,670.00				
47831 Press-N Supv 8 General	213,000.00				
47832 Press-N Non-Prod Time	1,200.00				
47834 Press-N Small Tools 8 Equip	39,400.00				
49990 Press-M Fleet Oper Costs	33,000.00				
49831 Press-M Supv 8 General	343,638.28				
49834 Press-M Small Tools 8 Equip	48,873.00				
50990 Press-S Fleet Oper Costs	45,053.00				
50831 Press-S Supv 8 General	257,491.25				
50834 Press-S Small Tools 8 Equip	52,870.00				
66990 Proj-C Fleet Operatng Costs	14,800.00				
66039 Proj-C Small Tools	20,000.00				
65990 Proj-N Fleet Operatng Costs	13,900.00				
65039 Proj-N Small Tools	20,000.00				
67990 Proj-M Fleet Operatng Costs	16,300.00				
67039 Proj-M Small Tools	20,000.00				
61702 NCAT-C NonProd-Time	1,385.02				
61703 NCAT-C NonProd-Brkdown	35,090.28				
61705 NCAT-C Inclmmt Weathr-Job Sit	33,862.89				
61039 NCAT-C S&G NCAT-Small Tools	63,808.77				
61990 NCAT-C Fleet Operatng Costs	12,796.22				
60701 NCAT-N Superv 8 General	171.36				
60702 NCAT-N NonProd-Time	341.33				
60703 NCAT-N NonProd-Brkdown	12,172.88				
60705 NCAT-N Inclmmt Weathr-Job Sit	12,514.37				
60039 NCAT-N IDE Small Tools	37,166.97				
60990 NCAT-N Fleet Operatng Costs	12,850.16				
63702 NCAT-S NonProd-Time	1,611.63				
63703 NCAT-S NonProd-Brkdown	20,685.33				
63705 NCAT-S Inclmmt Weathr-Job Sit	16,746.01				
63039 NCAT-S S&G NCAT-Small Tools	55,382.20				
63990 NCAT-S Fleet Operatng Costs	14,720.39				
70001 L&P Admin North	120,618.00				
71001 L&P Admin Central	96,381.00				
72001 L&P Admin Metro	107,658.00				
73001 L&P Admin South	85,033.00				
46003 Workload Admin 8 Planning	384,194.00				
46004 Workload Admin - Schedulers	1,158,840.00				
36101 IDE AVP Enrgy Del To CWIP-Cr	(4,149,224.00)				
36111 Fleet Maint To CWIP-Cr	(430,960.00)				
36115 Fleet Carth To CWIP-Cr	(34,774.00)				
36119 Fleet Proj To CWIP-Cr	(45,000.00)				
74101 IDE Constr To CWIP-Cr	(290,939.00)				
74111 Fleet NCAT To CWIP-Cr	(40,367.00)				
92053 IDE Sys Oper To CWIP-Cr	(694,053.49)				
36113 Fleet Sys Oper To CWIP-Cr	(92,620.89)				
36989 Ofc VP Distribution Collsn&Dmg	64,498.82				
90006 IDE Meter Shop To CWIP-Cr	(57,494.22)				
ACT UTILITY	2,248,212.56				

Allocation 3 • Allocation of Distribution Overhead, Transportation, and Communications from Prime 87001
Schedule C • Prime 87001 Payroll

	Budget	Organization	December YTI base amount		2002	prime87001	
	40010 Direct	44010 IDE	44030 IDE	44060 IDE	50010 G&A	52010 G&A	
	Labor Regular	Mgmt Pay Regular	Clerical Pay Regular	Non-Prod Labor	Mgmt Regular	Clerical Regular	Total Payroll
36138 Merc Reg Removal Supv & Genrl	0	0	0	0	0	0	-
26000 Admin and Clerical	0	0	0	0	0	0	-
26027 Field Supv & General	0	0	0	6,986.00	0	0	6,986.00
26002 Employee Info Mtg's	0	0	0	9,875.00	0	0	9,875.00
26003 Job Training	0	0	0	37,696.00	0	0	37,696.00
26990 Fleet Costs	0	0	0	0	0	0	-
36131 Workload Admin To CWIP-Cr	0	0	0	0	0	0	-
38990 Maint-C Fleet Oper Costs	0	0	0	0	0	0	-
38700 Maint-C Remote Rptg Loc	0	0	0	0	0	0	-
38701 Maint-C Supv & Clerical	0	424,573.00	0	190,753.00	0	0	615,326.00
38703 Maint-C Non-Prod Time	0	0	0	70,000.00	0	0	70,000.00
38704 Maint-C Small Tools&Equip	0	0	0	113,456.00	0	0	113,456.00
38705 Maint-C Inclmnt Weath-Job Site	0	0	0	81,000.00	0	0	81,000.00
37990 Maint-N Fleet Oper Costs	0	0	0	0	0	0	-
37701 Maint-N Supv & Clerical	0	611,854.00	0	151,775.00	0	0	763,629.00
37703 Maint-N Non-Prod Time	0	0	0	40,000.00	0	0	40,000.00
37704 Maint-N Small Tools&Equip	0	0	0	62,005.00	0	0	62,005.00
37705 Maint-N Inclmnt Weath-Job Site	0	0	0	80,000.00	0	0	80,000.00
39990 Maint-M Fleet Oper Costs	0	0	0	0	0	0	-
39701 Maint-M Supv & Clerical	0	542,260.00	0	155,057.00	0	0	697,317.00
39703 Maint-M Non-Prod Time	0	0	0	75,000.00	0	0	75,000.00
39704 Maint-M Small Tools&Equip	0	0	0	107,513.00	0	0	107,513.00
39705 Maint-M Inclmnt Weath-Job Site	0	0	0	96,000.00	0	0	96,000.00
40990 Maint-S Fleet Oper Costs	0	0	0	0	0	0	-
40700 Maint-S Remote Rptg Loc	0	0	0	0	0	0	-
40701 Maint-S Supv & Clerical	0	314,848.00	0	120,842.00	0	0	435,690.00
40703 Maint-S Non-Prod Time	0	0	0	45,000.00	0	0	45,000.00
40704 Maint-S Small Tools&Equip	0	0	0	74,949.00	0	0	74,949.00
40705 Maint-S Inclmnt Weath-Job Site	0	0	0	71,063.00	0	0	71,063.00
41018 Maint-CA Commcnate Oth/M-Work	0	0	0	0	0	0	-
41401 Maint-CA Suprv&Gen Clerk-Oper	0	108,450.00	0	0	0	0	108,450.00
41403 Maint-CA Non Prod Brkdown	0	0	0	0	0	0	-
41404 Maint-CA Sml Tools/Equip-Oper	0	0	0	900.00	0	0	900.00
41669 Maint-CA - Misc Error Suspense	0	0	0	0	0	0	-
41990 Maint-CA - Fleet Costs	0	0	0	0	0	0	-
48990 Press-C Fleet Oper Costs	0	0	0	0	0	0	-
48831 Press-C Supv & General	0	204,700.00	29,400.00	9,324.00	0	0	243,424.00
48832 Press-C Non-Prod Time	0	0	0	0	0	0	-
48834 Press-C Small Tools & Equip	0	0	0	27,972.00	0	0	27,972.00
47990 Press-N Fleet Oper Costs	0	0	0	0	0	0	-
47831 Press-N Supv & General	0	139,000.00	24,000.00	-	0	0	163,000.00
47832 Press-N Non-Prod Time	0	0	0	1,200.00	0	0	1,200.00
47834 Press-N Small Tools & Equip	0	0	0	13,000.00	0	0	13,000.00
49990 Press-M Fleet Oper Costs	0	0	0	0	0	0	-
49831 Press-M Supv & General	0	252,601.36	42,024.92	0	0	0	294,626.28
49832 Press-M Non-Prod Time	0	0	0	0	0	0	-
49834 Press-M Small Tools & Equip	0	0	0	28,071.00	0	0	28,071.00
50990 Press-S Fleet Oper Costs	0	0	0	0	0	0	-
50831 Press-S Supv & General	0	166,131.25	27,600.00	1,013.00	0	0	194,744.25
50832 Press-S Non-Prod Time	0	0	0	-	0	0	-
50834 Press-S Small Tools & Equip	0	0	0	27,902.00	0	0	27,902.00
66990 Proj-C Fleet Operatng Costs	0	0	0	0	0	0	-
66039 Proj-C Small Tools	0	0	0	4,892.00	0	0	4,892.00
65990 Proj-N Fleet Operatng Costs	0	0	0	0	0	0	-
65039 Proj-N Small Tools	0	0	0	5,148.00	0	0	5,148.00
67990 Proj-M Fleet Operatng Costs	0	0	0	0	0	0	-
67039 Proj-M Small Tools	0	0	0	293.00	0	0	293.00

	Budget	Organization	December YTC base amount	2002	prime87001		
	44010 IDE	44030 IDE	44060 IDE	50010 G&A	52010 G&A		
	40010 Direct	Mgmt Pay	Clerical Pay	Non-Prod	Clerical		
	Labor Regular	Regular	Regular	Labor	Mgmt Regular	Regular	Total Payroll
68990 Proj-S Fleet Operatng Costs	0	0	0	0	0	0	-
68702 Proj-S NonProd-Time	0	0	0	0	0	0	-
68039 Proj-S Small Tools	0	0	0	0	0	0	-
61702 NCAT-C NonProd-Time	0	0	0	1,385.02	0	0	1,385.02
61703 NCAT-C NonProd-Brkdwn	0	0	0	35,090.28	0	0	35,090.28
61705 NCAT-C InclmntWeathr-JobSit	0	0	0	33,862.89	0	0	33,862.89
61039 NCAT-C S&G NCAT-Small Tools	0	0	0	12,592.26	0	0	12,592.26
61990 NCAT-C Fleet Operatng Costs	0	0	0	0	0	0	-
60701 NCAT-N Superv & Genral	0	0	0	141.66	0	0	141.66
60702 NCAT-N NonProd-Time	0	0	0	300.98	0	0	300.98
60703 NCAT-N NonProd-Brkdwn	0	0	0	12,172.88	0	0	12,172.88
60705 NCAT-N InclmntWeathr-JobSit	0	0	0	12,514.37	0	0	12,514.37
60039 NCAT-N IDE Small Tools	0	0	0	1,790.28	0	0	1,790.28
60990 NCAT-N Fleet Operatng Costs	0	0	0	0	0	0	-
63702 NCAT-S NonProd-Time	0	0	0	1,611.63	0	0	1,611.63
63703 NCAT-S NonProd-Brkdwn	0	0	0	20,685.33	0	0	20,685.33
63705 NCAT-S InclmntWeathr-JobSit	0	0	0	16,746.01	0	0	16,746.01
63039 NCAT-S S&G NCAT-Small Tools	0	0	0	2,894.26	0	0	2,894.26
63990 NCAT-S Fleet Operatng Costs	0	0	0	0	0	0	-
62702 NCAT-M Burdn NonProd-Time	0	0	0	0	0	0	-
62703 NCAT-M Burdn NonProd-Brkdwn	0	0	0	0	0	0	-
62705 NCAT-M InclmntWeathr-JobSit	0	0	0	0	0	0	-
62039 NCAT-M S&G NCAT-Small Tools	0	0	0	0	0	0	-
62990 NCAT-M Fleet Operatng Costs	0	0	0	0	0	0	-
70001 L&P Admin North	0	0	0	0	62,343.00	27,098.00	89,441.00
71001 L&P Admin Central	0	0	0	0	60,323.00	27,098.00	87,421.00
72001 L&P Admin Metro	0	0	0	0	71,534.00	27,164.00	98,698.00
73001 L&P Admin South	0	0	0	0	48,910.00	27,163.00	76,073.00
46003 Workload Admin & Planning	0	0	0	0	288,400.00	0	288,400.00
46004 Workload Admin - Schedulers	80,996.00	0	0	0	422,000.00	520,190.00	1,023,186.00
46005 Workload Admin - Dispatching	0	0	0	0	0	0	-
36101 IDE AVP Enrgy Del To CWIP-Cr	0	0	0	0	0	0	-
36111 Fleet Maint To CWIP-Cr	0	0	0	0	0	0	-
36115 Fleet Carth To CWIP-Cr	0	0	0	0	0	0	-
36117 Collisn Damg Maint To CWIP-Cr	0	0	0	0	0	0	-
36119 Fleet Proj To CWIP-Cr	0	0	0	0	0	0	-
74101 IDE Constr To CWIP-Cr	0	0	0	0	0	0	-
74111 Fleet NCAT To CWIP-Cr	0	0	0	0	0	0	-
74115 Collisn Dmg Constr CWIP-Cr	0	0	0	0	0	0	-
92053 IDE Sys Oper To CWIP-Cr	0	0	0	0	0	0	-
36113 Fleet Sys Oper To CWIP-Cr	0	0	0	0	0	0	-
36989 Ofc VP DistributionCollsn&Dmg	0	0	0	0	0	0	-
74986 Constr-Ofc G.M. Flt Collision	0	0	0	0	0	0	-
97705 Distribution Design Team Misc	0	0	0	0	0	0	-
92030 Super and Gen Costs of Shop Ac	0	0	0	0	0	0	-
56004 Coll Dmge - MtrRd/Loc/Lk/Safe	0	0	0	0	0	0	-
92510 Sys Ops Fleet Collions/Dmge	0	0	0	0	0	0	-
38713 Maint-C Equipment Repairs	0	0	0	0	0	0	-
37700 Maint-N Remote Rptg Loc	0	0	0	0	0	0	-
92064 Coll Dmg Sys Ops to CWIP - Cr	0	0	0	0	0	0	-
37713 Maint-N Equipment Repairs	0	0	0	0	0	0	-
90006 IDE Meter Shop To CWIP-Cr	0	0	0	0	0	0	-
ACT UTILITY	80,996.00	2,764,417.61	123,024.92	1,860,472.85	953,510.00	628,713.00	6,411,134.38
	80,996.00	2,764,417.61	123,024.92	1,860,472.85	953,510.00	628,713.00	6,411,134.38

2002 O&M Budget
Allocation 4 - Allocation of Net Fleet from Prime 870.02 to Distribution and Customer Accounts
Schedule A - Allocation

- The purpose of this allocation is to allocate net fleet expenses, which are accumulated in allocation prime 870.02 among the prime accounts charged by areas that use fleet vehicles.

Prime 870.02 Totals, Per Schedule B: Payroll	3,995,223.01
Other	(991,687.19)
Total	3,003,535.82

Allocation to Distribution and Customer Accounts:				Amount Allocated from 87002		
Operation	Prime Acct	Payroll (a)	Payroll as a % of Total	Payroll	Other	Total
Distribution Load Dispatching	87100	8,684.75	0.04%	1,588.09	(396.67)	1,201.41
Mains and Services Expenses	87400	7,115,503.87	35.64%	1,423,897.48	(353,437.31)	1,070,460.17
Measuring and Regulating Station Expenses - General	87500	274,770.10	1.38%	55,134.08	(13,685.28)	41,448.79
Measuring and Regulating Station Expenses - Industrial	87600	283,715.12	1.42%	56,732.17	(14,081.96)	42,650.21
Measuring and Regulating Station Expenses - City Gate Check Station	87700	307,500.00	1.54%	61,526.43	(15,271.98)	46,254.45
Other Expenses	88000	14,979.90	0.08%	3,196.18	(793.35)	2,402.83
Rents	88100	0.00	0.00%			
Meter Reading Expenses	90200	4,284,269.00	21.46%	857,374.86	(212,816.07)	644,558.79
Maintenance						
Maintenance Structures and Improvements	88600	0.00	0.00%			
Maintenance Mains	88700	2,554,463.98	12.80%	511,388.55	(126,935.96)	384,452.58
Maintenance of Measuring and Reg. Station Equip. - General	88900	473,031.85	2.37%	94,686.79	(23,502.99)	71,183.80
Maintenance of Measuring and Reg. Station Equip. - Industrial	89000	734,431.24	3.68%	147,024.21	(36,484.09)	110,530.12
Maintenance of Services	89200	1,966,271.00	9.85%	393,529.47	(97,681.19)	295,848.28
Maintenance of Meters and House Regulators	89300	1,943,367.90	9.74%	389,134.72	(96,590.33)	292,544.39
Total		19,960,988.71	100.00%	3,995,223.01	(991,687.19)	3,003,535.82

Source:
(a) Payroll by Prime, After Reclass Entries

Allocation 4 - Allocation of Net Fleet from Prime **870.02**
Schedule **B** - Prime **870.02** By Account Category

	Budget	December YTD Amounts	2002	prime87002	Organizati Activity
40010 Direct Labor Regular	2,865,973.89				
42010 Contractor Work	423,048.95				
44010 IDE Mgmt Pay Regular	734,749.72				
44030 IDE Clerical Pay Regular	69,999.98				
44060 IDE Non-Prod Labor	209,999.79				
44070 IDE S II Tr il	26,999.66				
44080 IDE Cell Phones	4,999.94				
44090 IDE Pagers	0				
44091 IDE Office Supplies	14,999.96				
44100 IDE Meals & Entertainment	999.96				
44110 IDE Transportation & Lodging	0				
44120 IDE Other Misc	36,999.82				
45540 Genrl Non-Prod Labor	114,499.63				
47020 Fuel Cost Gasoline	14,999.96				
47021 Fuel Cost Diesel	3,600.00				
47022 Fuel Cost Ethanol	0				
47070 Misc Vehicle Stock	44,999.10				
47071 Oil & Antifreeze	69,999.19				
47073 Vehicle Licenses	320,000.00				
48010 Direct Material	1,964,999.08				
56020 G&A Contractors	36,999.97				
56060 G&A Maint Fees Software	14,999.96				
64070 G&A Memberships/Dues	0				
64080 G&A Office Supplies	0				
64083 G&A Cafeteria & Catering	0				
64090 G&A Postage Shipping	0				
64110 G&A Publications	0				
64130 G&A Seminars/Meeting Expen	0				
64150 G&A Training	8,499.68				
64160 G&A Meals & Entertainment	0				
64170 G&A Transportation & Lodging	0				
64190 Other G&A	370,174.72				
64191 Fleet Admin to CWIP Cr	(4,349,007.14)				
67250 G&A Waste Disposal & Recyc	0				
Category	<u>3,003,535.82</u>				
Payroll		3,995,223.01			
Other		(991,687.19)			
Total		<u>3,003,535.82</u>			

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2002 O&M Budget
Allocation 5- Allocation of Stores Handling Expense from Prime 870.03
Schedule A - Allocation

- Stores handling expenses are recorded in an allocation prime, 870.03. These costs are then to be allocated to primes where material is charged during the year. For budget purposes, the prime accounts to be charged will be based on history.

Prime 870.03	Total Charged (a)		
	December YTD	Payroll	Other
90101 VP Admin Stores Handlg-CWIP-Cr	(1,356,934.00)	-	(1,356,934.00)
91924 Misc. Stock Cost	37,650.00	-	37,650.00
60940 Stock Material Handling	1,201,791.00	746,550.00	455,241.00
60941 Inventory Management	166,850.00	153,800.00	13,050.00
91944 Occupancy Cost	336,000.00	-	336,000.00
6501 6501-Logistics Forklift Equip	9,900.00	6,650.00	3,250.00
60945 procurement Hauling Expense	170,500.00	121,600.00	48,900.00
Activity	565,757.00	1,028,600.00	(462,843.00)

Allocation to Various Primes Charged Bv Materials:
Operation

Mains and Services Expenses
Meter and House Regulator Expenses - Material Pool

Maintenance

Maintenance Mains
Maintenance of Services

		Amounts Allocated From 870.03		
		Payroll	Other	Total
Prime Acct	Allocation Percentage (b)			
87400	23.42%	240,898.12	(108,397.83)	132,500.29
87803	47.04%	483,853.44	(217,721.35)	266,132.09
88700	8.45%	86,916.70	(39,110.23)	47,806.47
89200	21.09%	216,931.74	(97,613.59)	119,318.15
Total	100.00%	1,028,600.00	(462,843.00)	565,757.00
		0.00	(0.00)	0.00

Sources:
(a) Schedule B
(b) Per Schedule C

Allocation 5- Allocation of Stores Handling Expense from Prime 870.03
Schedule B - Prime 870.03 Detail

Budget	prime87003										December YTD Organization base amount 2002										64000											
	40010 Direct Labor Regular	50010 G&A Mgmt Regular	52010 G&A Clerical Regular	56070 G&A Temporary Clerical Help	42010 Contractor Work	47020 Fuel Cost	48010 Direct Material	56020 G&A Contractors	56030 G&A Maint Fees Svc Contracts	56080 G&A Maint Fees Software	56010 G&A Consulting/seasonal Svs	64020 G&A Cell Phones	64030 G&A Pagers	G&A Communication Services	64050 G&A Duplicating Exp	64060 G&A Forms	64080 G&A Office Supplies	64090 G&A Postage Shipping														
90101 VP Admin Stores Handlg-CWIP-Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
91924 Misc Stock Cost	0	0	0	0	0	0	37,650.00	0	0	0	0	0	0	0	0	0	0	0	0													
60940 Stock Material Handling	504,650.00	207,900.00	34,000.00	36,950.00	0	10,000.00	5,950.00	950.00	30,750.00	2,500.00	22,000.00	9,250.00	700.00	2,450.00	1,250.00	1,000.00	14,350.00	650.00	0													
60941 Inventory Management	250.00	115,550.00	38,000.00	0	0	0	0	0	300.00	0	4,500.00	750.00	600.00	350.00	750.00	0	0	250.00	0													
91944 Occupancy Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
6501 6501-Logistics Forklift Equip	6,650.00	0	0	0	500.00	0	2,750.00	0	0	0	0	0	0	0	0	0	0	0	0													
6501 6501-Logistics Forklift Equip	121,600.00	0	0	0	0	0	2,250.00	0	0	0	26,500.00	150.00	1,300.00	2,800.00	2,000.00	1,000.00	14,600.00	650.00	0													
60945 Procurement Hauling Expense Activity	633,150.00	323,450.00	72,000.00	36,950.00	500.00	10,000.00	48,600.00	950.00	31,050.00	2,500.00	26,500.00	10,150.00	1,300.00	2,800.00	2,000.00	1,000.00	14,600.00	650.00	0													

Payroll 1,028,600.0
Other (462,843.0)
Total 565,757.0

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Allocation 5- Allocation of Stores Handlin
Schedule B - Prime 870.03 Detail

	64100 G&A Postage US Mail	64120 G&A Rental Expense	64130 G&A Seminars/ Meebng Expenses	64140 GBA Software	64150 G&A Training	64160 G&A Meals & Entertainment	64170 G&A Transportation & Lodging	64190 Other GBA	67070 G&A Inbound/Outbound Freight	47021 Fuel Cost Diesel	47071 Oil 8 Antiheere	64194 Stores Handling lo CWIP Credit	Account Categories		
90101 VP Admin Stores Handlg-CWIP-Cr	0	0	0	0	0	0	0	0	0	0	0	(1,356,934.00)	(1,356,934.00)	(1,356,934.00)	-
91924 Misc. Stock Cost	0	0	0	0	0	0	0	0	0	0	0	0	37,650.00	37,650.00	-
60940 Stock Material Handling	50.00	42,700.00	1.6W.00	20,000.00	7,000.00	4,950.00	2,500.00	57,691.00	160,000.00	20,000.00	0	0	1,201,791.00	1,201,791.00	-
60941 Inventory Management	0	0	5W.VV	0	400.00	1,600.00	500.00	2,550.00	0	0	0	0	166,850.00	166,850.00	-
91944 Occupancy Cost	0	336,000.00	0	0	0	0	0	0	0	0	0	0	336,000.00	336,000.00	-
6501 6501-Logistics Forklift Equip	0	0	0	0	0	0	0	0	0	0	0	0	9,900.00	9,900.00	-
60945 Procurement Hauling Expense	0	0	0	0	0	0	0	15,000.00	0	30,000.00	1,500.00	0	170,500.00	170,500.00	-
Activity	50.00	378,700.00	2,100.00	20,000.00	7,400.00	6,550.00	3,000.00	75,241.00	160,000.00	50,000.00	1,500.00	(1,356,934.00)	565,757.00	565,757.00	-
	50.00	378,700.00	2,100.00	20,000.00	7,400.00	6,550.00	3,000.00	75,241.00	160,000.00	50,000.00	1,500.00	(1,356,934.00)	565,757.00		

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Allocation 5- Allocation of Stores Handling Expense from Prime 870.03
Schedule C

- Stores handling expenses are recorded in an allocation prime, 870.03. These costs are then to be allocated to primes where material is charged during the year. For budget purposes, the prime accounts to be charged will be based on history. This schedule calculates a historical average allocation rate.

Prime		Allocation Percentage		
		2003	2002	Average
87400	Mains and Services Expenses	23.03%	23.82%	23.42%
87803	Meter and House Regulator Expenses - Material Pool	43.69%	50.38%	47.04%
88700	Maintenance Mains	14.63%	2.27%	8.45%
89200	Maintenance of Services	18.65%	23.53%	21.09%
		100.00%	100.00%	100.00%

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2002 O&M Budget
Allocation 6- Allocation of Operations Overhead, Transportation, and Communication from Prime 878.01
Schedule A - Allocation

- Operations supervision and general expenses are recorded in an allocation prime account, 878.01.
- This allocation allocates these operations supervision and general expenses among the prime accounts which are charged for work completed by the Operations Department.
- The allocation is based on payroll dollars.

	Total Charges (a)		
	December YTD	Payroll	Other
Prime 878.01	1,884,157.00	1,002,278.00	881,879.00

Allocation to Primes 878. 879, and 903:	Prime Acct	Payroll (b)	Payroll as a % of total	Amount Allocated From 878.01		
				Payroll	Other	Total
Meter and House Regulator Expenses	87800	2,762,690.00	14.59%	146,232.36	128,666.15	274,898.51
Customer Installations Expenses	87900	3,646,663.00	19.26%	193,038.74	169,849.90	362,888.64
Customer Records and Collection Exp.	90300	12,522,896.00	66.15%	663,006.90	583,362.96	1,246,369.86
	Total	18,932,249.00	100.00%	1,002,278.00	881,879.00	1,884,157.00
				0.00	0.00	0.00

Sources:
(a) Alloc 6 - Schedule B
(b) Payroll By Prime, After Reclasses

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Allocation 6- Allocation of Operations Overhead, Transportation, and Communication from Prime 878.01
Schedule B - Prime 878.01 Detail

Budget	Organization	base amount	2002	prime87801	December YTD						
44010 IDE 40010 Direct Labor Regular	Mgmt Pay Regular	44030 IDE Clerical Pay Regular	44060 IDE Non-Prod Labor	44070 IDE Small Tools	44080 IDE Cell Phones	44120 IDE Other misc	44130 IDE To CWP Credit	47020 Fuel Cost	47050 Fleet To CWP Credit	64040 G&A Communication Services	Category
	0	0	0	0	0	0	0	833,301.00	0	58,391.00	833,301.00
	0	799,431.00	11,757.00	191,090.00	141,076.00	0	223,371.00	0	0	58,391.00	1,175,635.00
	0	0	0	0	0	0	0	0	0	0	191,090.00
	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	0	799,431.00	11,757.00	191,090.00	141,076.00	0	223,371.00	(292,240.00)	833,301.00	(92,020.00)	58,391.00
Total Payroll=		1,002,278.00		Total Others		881,879.00				1,894,157.00	

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2002 O&M Budget
Allocation 7- Allocation of Operations Materials from Prime 878.03
Schedule A - Allocation

- Operations material expense are recorded in allocation prime 878.03. These expenses are then allocated to primes 878.00 - Meter and House Regulators and prime 879.00 Customer Installations, the primes where these materials would be used.
- The allocation is based on payroll dollars.

	Total Charged (a):		
	December YTD	Payroll	Other
Prime 878.03	885,836.09	483,853.44	401,982.65

Allocation to Primes 878 and 879:
Meter and House Regulator Expenses
Customer Installations Expenses

Prime Acct	Payroll (b)	Payroll as a % of Total	Amount Allocated From 878.03:		
			Payroll	Other	Total
87800	2,762,690.00	43.10%	208,540.83	173,254.52	381,795.35
87900	3,646,663.00	56.90%	275,312.61	228,728.13	504,040.74
Total	6,409,353.00	100.00%	483,853.44 (0.00)	401,982.65 0.00	885,836.09 0.00

Sources:
(a) Alloc 7 Schedule B
(b) Total Payroll - After Reclasses

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Allocation 7- Allocation of Operations Materials from Prime 878.03
Schedule B - Prime 878.03 Detail

58406 Oper Repair Materials
Activity

Add:
Amount allocated to 878.03 from Allocation 5 (Stores Handling Exp Allocation)

	Budget	Organization	December YTD base amount 2002	prime87803
40010 Direct Labor Regular	48010 Direct Material	Category		
	0	619,704.00	619,704.00	
	0	619,704.00	619,704.00	
	483,853.44	(217,721.35)	266,132.09	
	483,853.44	401,982.65	885,836.09	